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## Algeria

### Grain and Feed

### Annual

### 2008

**Approved by:**

Michael FAY  
U.S. Embassy, Algiers

**Prepared by:**

Nabila Hales

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**Report Highlights:**

Should weather conditions hold, the 2008 Algerian grain crop will match the previous year's level. Facing high import prices for grains, the Government of Algeria will continue to subsidize food prices and increase prices paid to farmers in hope of stimulating domestic grain production.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Algiers [AG1]  
[AG]

## Table of Contents

• <b>SECTION I. SITUATION AND OUTLOOK</b> .....	<b>3</b>
• Table: Packaged bread flour prices for sale (in Algerian dinars) .....	4
• Table 1- Algeria Pulses imports in MT .....	5
• <b>Total</b> .....	<b>5</b>
• Table 2- Algeria Rice imports in MT: .....	5
• <b>PSD Table</b> .....	<b>7</b>
• <b>Import Trade Matrix</b> .....	<b>8</b>

## SECTION I. SITUATION AND OUTLOOK

Planting season took place under largely satisfactory conditions. Rains were heavy in some regions during the last two months of 2007, and resulted in significant and sometimes deadly floods. But, these rains generally alleviated considerable concerns about dry conditions.

Crops throughout the country are developing well. Durum plantings continue to account for the biggest portion of the planted area, followed by barley and bread wheat.

The first quarter of 2008 was rainy through out Algeria and snowy in some regions. Rain continued in April, which should help in good crop production. Should good conditions continue, 2008 crop has potential to be as good as or better than the 2007, which produced 4.3 million tons total cereals.

However, production levels still don't meet domestic demand for cereals (6 million MT). The average production level for 2000-2004 was 2.7 million MT and the maximum level reached for the best years was 4 million MT. Harvests as well as production have been plagued by either drought or poor weather. GOA decided recently to boost domestic wheat crop on the downstream side. According to Minister of Agriculture, the government will offer higher prices for wheat farmers for the upcoming season to buy domestic crops. Starting from 2008 wheat harvest, GOA will buy local wheat crops from farmers at internationally competitive prices; farmers will sell their crop to grain office at a reference price that will be announced soon.

Wheat consumption is expected to remain relatively stable. According to the office of statistics, wheat consumption per capita was about 200 kg per year in 2000, of which 67 percent was bread flour and semolina, 26 percent bread, and the rest was for other product of bread processing. Cereals products still remain staple food for population.

Algeria consumes about 2.4 million tons of semolina annually, for which it needs to process about 3.2 million tons of durum as raw material.

Despite the worldwide commodities price increase, the GOA assured that local sales prices for bread and flour will not change. In order to manage the increased prices, the GOA decided to continue the food price stabilization policy and allocated \$2.5 billion to support staple food prices.

The latter extended the sales price ceiling to semolina starting from 2008, and probably will do so to other staple commodities as well in the near future to protect household income.

The GOA has always put ceilings on bread and bread flour prices; (Decree of April 1996); bulk bread flour prices were fixed for sale at different levels of the distribution to food processing industries, local communities and retailers at 2080 A.D per quintal (\$32) and bakers at 2000 A.D (\$30) per quintal as well as consumers at 2180 A.D (\$33) per quintal. (Exchange rate: \$1=65.68 AD).

Packaged bread flour sales prices were set as follows;

Table: Packaged bread flour prices for sale (in Algerian dinars)

(Exchange rate: \$1 = 65.68 A.D)

Packaging	Price for Sale to Whole sellers	Price for sale to retailers	Price for sale to Consumers
01 kilogram	23.70	25.70	27.50
02 kilograms	45.40	48.40	51.50
05 kilograms	113.50	123.50	133.50
25 kilograms	550.00	565.00	592.50

According to the same decree above, bread price for sale was fixed at:

Regular bread - (250 grams); 7.50 A.D per unit  
 - (500 grams): 15.00 A.D per unit

Improved bread- (250 grams): 8.50 A.D per unit  
 - (500 grams): 17.00 A.D per unit

These prices were calculated on office of grains wheat prices for sale basis; the latter was already supporting the prices for sale for durum and bread wheat to millers; office of Grains resell bread wheat to millers at 1285 A.D (\$19.5) per quintal and durum at 2280 A.D (\$35) per quintal. Differential between import prices and prices for sale to millers is supported by government.

Algeria remains one of the largest importers of wheat (4 million MT imported per year minimum) and of durum.

Algeria imported 4.6 million metric tons total wheat in CY 2007 (\$1.28 billion) of which 1.3 million MT was durum wheat and 3.3 million MT was bread wheat. Algeria imported about 40 percent (0.53 Million MT) of durum and 80 percent (2.6 Million MT) of bread wheat from Europe. For the same year Algeria imported about 71,000 MT of durum and 414,000 MT of bread wheat from the United States. (Source: Algerian customs).

U.S. market share for durum declined significantly over the past years. Bread wheat competition comes largely from Europe and Black Sea, and durum competition principally comes from Canada and France. Excellent durum yields and good quality crops, as well as proximity and good prices have enabled France to become the largest supplier of wheat to Algeria. Imports are mostly handled by the Algerian Office of Grains and some specialized bulk commodities importers.

Barley is usually imported exclusively in small shipments by private importers from Europe and Eastern Europe because of the proximity and low freight costs. Algeria imported 56,000 MT of barley in CY 2007 from France and Germany. Algeria imported exceptionally 24,000 MT from U.S. because of drought in 2006.

Algeria imported 2.28 million MT of corn in CY 2007. United States is Algeria's principal supplier of corn with 1.16 million MT, followed by Argentina (1.09 MT) and France (11,000 MT). Demand for US corn should remain strong despite high world prices. Animal feed manufactures expect maintain corn demand.

Some imports of DDG's occurred in early 2008. This is a new product for Algerian feed millers and importers that could grow further with technical assistance. Some trials are being done in some regions with expectations of broader use.

Demand for soybean meal comes mostly from the poultry feed manufacture sector. Since there is no crushing plant in Algeria, and with the feed manufacture expansion, demand is expected to stay high. Algeria imported about 655,000 MT (\$204 million) of soybean meal in 2007. Major suppliers are Argentina and the United States.

Algeria imports an average of 160,000 MT of pulses per year depending on world prices, mostly from Canada, China, Mexico, Argentina, and Turkey. These pulses are mostly beans, lentils, chickpeas and beans for seeding. U.S. market share for pulses still represents only 2 percent in CY 2007 (3,700 MT), mostly chickpeas, lentils and beans for seeding.

Table 1- Algeria Pulses imports in MT

Origin	CY 2004	CY 2005	CY 2006	CY 2007
Canada	55,000	96,356	61,049	76,573
Mexico	-	20,915	40,667	23,235
Argentina	13,625	12,079	20,251	23,263
China	39,325	31,489	16,757	23,942
India	-	13,855	5,698	23,618
Turkey	-	8,968	4,579	3,050
U.S.	-	1,494	3,569	3,696
France	-	3,206	2,920	1,765
Denmark	12,958	-	-	-
Spain	3,552	910	1,499	1,308
Others	4,098	7,623	6,601	5,843
<b>Total</b>	<b>128,558</b>	<b>196,895</b>	<b>163,590</b>	<b>186,293</b>

Algeria's imports of rice are very irregular. Private importers take opportunities when good prices occur to buy rice in small containers from different origin. Algeria imported 71,345 MT of rice in CY 2007, mostly from Pakistan, India, Thailand and Vietnam. Algeria has imported also 19 Mt from U.S. Last time Algeria imported rice from U.S. was in 2002, exceptionally, because of competitive prices in MY 2002, under GSM-102, 28,000 MT.

Table 2- Algeria Rice imports in MT:

	CY 2006	CY 2007
<b>Vietnam</b>	39,142	8,215
<b>Thailand</b>	6,091	16,297
<b>Tajikistan</b>	3,213	3,375
<b>Pakistan</b>	1,125	19,550
<b>Japan</b>	4	1
<b>Italy</b>	3	19
<b>India</b>	13,270	17,841
<b>France</b>	18	9
<b>U.S.</b>	0	19

<b>Spain</b>	3,399	5,314
<b>China</b>	1	179
<b>Egypt</b>	1	0
<b>Singapore</b>	875	0
<b>Others</b>	85	526
<b>TOTAL</b>	<b>67,227</b>	<b>71,345</b>

## PSD Table

Country Algeria

Commodity	Wheat	(1000 HA)(1000 MT)(MT/HA)								UOM
		2006	Revised	2007	Estimate	Post Estimate	2008	Forecast	Post Estimate	
Market Year Begin		USDA Official	Post Estimate 07/2006	USDA Official	Post Estimate 07/2007	Post Estimate New 07/2007	USDA Official	Post Estimate 07/2008	Post Estimate New 07/2008	MM/YYYY (1000 HA)
Area Harvested		1700	1700	1700	1700	1700	0	0	1700	(1000 HA)
Beginning Stocks		3670	3670	3486	3560	3486	2736	3460	2736	(1000 MT)
Production		2600	2600	2600	2600	2600	0	0	2600	(1000 MT)
MY Imports		4879	4800	4400	4800	4400	0	0	4400	(1000 MT)
TY Imports		4879	4800	4400	4800	4400	0	0	4400	(1000 MT)
TY Imp. from U.S.		128	270	0	270	128	0	0	128	(1000 MT)
Total Supply		11149	11070	11149	10486	10486	2736	3460	9736	(1000 MT)
MY Exports		13	10	0	0	0	0	0	0	(1000 MT)
TY Exports		13	10	0	0	0	0	0	0	(1000 MT)
Feed Consumption		50	50	50	50	50	0	0	50	(1000 MT)
FSI Consumption		7600	7450	7700	7450	7700	0	0	7700	(1000 MT)
Total Consumption		7650	7500	7750	7500	7750	0	0	7750	(1000 MT)
Ending Stocks		3486	3560	2736	3460	2736	0	0	1986	(1000 MT)
Total Distribution		11149	11070	11149	10486	10486	0	0	9736	(1000 MT)
Yield		1.529	1.529	1.529	1.529	1.529	0	0	1.529	(MT/HA)
TS=TD -3460										

**Import  
Trade  
Matrix****Country** Algeria**Commodity** Wheat

Time Period

JulJun

Units:

1000  
MT

Imports for:

2007

2008

U.S.

128

U.S.

Others

Others

France	2369		
Mexico	160		
Kazakistan	29		
Canada	565		
Lituania	70		
Germany	459		
Poland	115		
Czech	27		
Hungary	38		
Spain	63		

Total for

Others

3895

0

Others not

Listed

377

Grand Total

4400

0

## PSD Table

Country Algeria

Commodity	Barley	(1000 HA)(1000 MT)(MT/HA)								UOM
		Revised	2007		Estimate	2008		Forecast		
		2006								
Market Year Begin	USDA Official	Post Estimate 07/2006	Post Estimate New 07/2006	USDA Official	Post Estimate 07/2007	Post Estimate New 07/2007	USDA Official	Post Estimate 07/2008	Post Estimate New 07/2008	MM/YYYY
Area Harvested	700	700	700	700	700	700	0	0	700	(1000 HA)
Beginning Stocks	554	554	554	454	382	454	354	360	354	(1000 MT)
Production	700	700	700	700	700	700	0	0	700	(1000 MT)
MY Imports	150	128	150	50	128	50	0	0	50	(1000 MT)
TY Imports	150	50	150	50	0	50	0	0	50	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	1404	1382	1404	1204	1210	1204	354	360	1104	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
TY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed Consumption	750	850	750	700	700	700	0	0	700	(1000 MT)
FSI Consumption	200	150	200	150	150	150	0	0	150	(1000 MT)
Total Consumption	950	1000	950	850	850	850	0	0	850	(1000 MT)
Ending Stocks	454	382	454	354	360	354	0	0	254	(1000 MT)
Total Distribution	1404	1382	1404	1204	1210	1204	0	0	1104	(1000 MT)
Yield	1	1	1	1	1	1	0	0	1	(MT/HA)
TS=TD -360										

TS=TD  
-360

**Import  
Trade  
Matrix****Country** Algeria**Commodity** Barley

Time Period Jul/Jun

Units:

Imports for: 2007

**2008**

U.S. 0

U.S.

Others

Others

France	30		
Germany	20		

Total for

Others

50

0

Others not  
Listed

0

Grand Total

50

0